COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100

JAMES A. NOYES, Director

www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: AV-0

September 19, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE AGREEMENT NO. 73668 BETWEEN
THE COUNTY OF LOS ANGELES AND RICK COULTER FOR THE
CONSTRUCTION OF ADDITIONAL AIRCRAFT STORAGE HANGARS
AT WHITEMAN AIRPORT, PACOIMA
SUPERVISORIAL DISTRICT 3
4 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this lease amendment is exempt from the provisions of the California Environmental Quality Act (CEQA).

2. Approve and instruct the Chairman to sign the enclosed Amendment No. 1 to Lease Agreement No. 73668 between the County of Los Angeles and Rick Coulter for an additional 41,325 square feet of land for construction of two aircraft storage hangar buildings at Whiteman Airport in the Pacoima area of the City of Los Angeles, and to extend the original lease term by one year at an additional, annual rent of $20,244, commencing on October 1, 2002, and terminating at midnight on September 30, 2032.

3. Instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager and operator for the collection of all rents to be paid.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

We are recommending that your Board approve and instruct the Chairman to sign Amendment No. 1 to Lease Agreement No. 73668 between the County of Los Angeles and Rick Coulter for an additional 41,325 square feet of land at Whiteman Airport for construction of two additional aircraft storage hangar buildings, and to extend the original lease term by one year at an additional, annual rent of $20,244, commencing on October 1, 2002, and terminating at midnight on September 30, 2032. We are also recommending that your Board find that this amendment is exempt from the provisions of CEQA, and instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager for the collection of the rents to be paid.

On October 9, 2001, your Board approved Lease Agreement No. 73668 between the County of Los Angeles and Rick Coulter for approximately 50,400 square feet of land to construct two aircraft storage hangar buildings for a term of approximately 30 years at an initial, annual rent of $23,192. That construction has been completed, and the lessee now is requesting an additional 41,325 square feet of land to build two more aircraft storage hangars adjacent to his original development, with an extension of one year to the original lease term. Therefore, an amendment to the original lease is required. Approval of this lease amendment will allow further development of the vacant and unimproved property into an airport-compatible use, which will increase airport revenues and reduce maintenance costs. The amendment will be consistent with the adopted Whiteman Airport Master Plan and will provide aircraft storage facilities for the airport users. It will also provide an increased revenue flow to the County's Aviation Enterprise Fund.

The terms of this lease amendment were negotiated by our airport management contractor and appear to be fair and reasonable.

Implementation of Strategic Plan Goals

This action is consistent with the Strategic Plan Goal of Fiscal Responsibility, as approving this lease amendment will provide more revenue to the County which, in turn, will be used to maintain and upgrade the airports to meet current FAA standards. It also satisfies the Goal of Service Excellence by providing aircraft storage facilities for airport users which will accommodate the rising demand for these types of storage hangars at Whiteman Airport.

FISCAL IMPACT/FINANCING

The initial rental rate for the additional parcel will be $20,244 per year, with annual cost of living adjustments based on the Consumer Price Index (CPI).

Our management contractor, American Airports Corporation (AAC), will collect the revenues. As provided for in our Airport Management Contract Agreement, AAC will distribute 45 percent of the initial lease payment for the additional parcel into the Aviation Enterprise Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This lease amendment has been reviewed from a legal standpoint and approved as to form by County Counsel.

This lease amendment is authorized by Government Code § 25536.

ENVIRONMENTAL DOCUMENTATION

The proposed lease amendment is a categorically exempt project, as specified in Class 3(d) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, Synopsis 57.

CONTRACTING PROCESS

It is not applicable for this lease amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this lease amendment will result in an increase of the customer base at Whiteman Airport while allowing development of the unimproved property into an airport-compatible use, which will increase the airport revenue stream to the County and reduce maintenance costs.

CONCLUSION

The original and three (3) copies of the lease amendment, executed by Rick Coulter, are enclosed.

1. Please have the Chairman of the Board sign the original and all copies, and return three (3) fully executed, original signature/stamped copies to the Aviation Division.

2. It is further requested that conformed copies of the amendment be distributed to:

a. County Counsel
b. Auditor-Controller, General Claims Division
c. Assessor, Possessory Interest Division

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

TAG:hz
Amendment #1 Coulter/B-2

Enc.

cc: Chief Administrative Officer
County Counsel